UNITED
NATIONS

A

General Assembly

Distr.
GENERAL

A/50/694/Add.1
12 March 1996

ORIGINAL: ENGLISH

Fiftieth session
Agenda items 122 (a) and (b)

FINANCING OF THE UNITED NATIONS PEACE-KEEPING FORCES IN THE MIDDLE EAST

United Nations Disengagement Observer Force

United Nations Interim Force in Lebanon

Report of the Advisory Committee on Administrative and Budgetary Questions

Addendum

1. The Advisory Committee on Administrative and Budgetary Questions has considered the reports of the Secretary-General on the financing of the United Nations Disengagement Observer Force (UNDOF) (A/50/386/Add.1) and the United Nations Interim Force in Lebanon (UNIFIL) (A/50/543/Add.1). During its consideration of the reports, the Advisory Committee met with representatives of the Secretary-General, who provided additional information.

I. UNITED NATIONS DISENGAGEMENT OBSERVER FORCE

2. UNDOF was established pursuant to Security Council resolution 350 (1974) of 31 May 1974 to supervise the cease-fire called for by the Security Council and the agreement on disengagement between Israeli and Syrian forces. The Mission's mandate has subsequently been extended by the Security Council, most recently by its resolution 1024 (1995) of 28 November 1995, until 31 May 1996.

3. Paragraphs 5 to 7 of the Secretary-General's report (A/50/386/Add.1) cover the operational plan and requirements of the Mission. The Advisory Committee recalls its comment in paragraph 6 of document A/50/798 that there is a need to establish and explain the linkage between the political mandate of a mission and its operational plan. In this connection, it is the view of the Advisory Committee that a clearer link between the mandate and resources of UNDOF should

have been provided. It is also the opinion of the Advisory Committee that there is a need to strengthen coordination and exchange of information between the various Secretariat units.

4. The Advisory Committee notes the absence of a performance report. Upon inquiry, the Advisory Committee was informed that complete expenditure data for the financial period ending 30 November 1995, which would be used to prepare the report as had been requested by the Advisory Committee, would not be available until after the Secretary-General's report had been prepared, i.e., at the end of February 1996.

5. The Advisory Committee also notes that in accordance with General Assembly resolution 49/233 A of 23 December 1994, the financial year covers the period from 1 July 1996 to 30 June 1997. The Advisory Committee further notes from paragraph 13 of the Secretary-General's report that the information regarding the surplus balance for the period from 1 December 1993 to 30 November 1994 will be provided following the closure of the accounts for the biennium 1994-1995.

6. The Advisory Committee recalls that until 1995 the auditing of peace-keeping operations accounts was carried out together with the auditing of the regular budget on a biannual basis. However, from the beginning of 1996 the peace-keeping operations accounts are to be audited separately on an annual basis. It is the intention of the Advisory Committee to meet with the Board of Auditors before the end of the current session to discuss the implications of switching from biannual to annual auditing of the peace-keeping operations accounts.

7. With regard to the information on the status of assessed contributions, the Advisory Committee points out that table 1 of document A/50/386/Add.1 represents, essentially, a summary of annex V to the same document. The Advisory Committee sees no reason for maintaining similar information in two parts of the budget submission and it recommends, therefore, that such information be consolidated and reflected in a single table of future budget submissions for peace-keeping operations.

8. The cost of maintaining UNDOF for the period from 1 July 1996 to 30 June 1997 is estimated at $31,494,000 gross ($30,582,000 net). In this connection, the Advisory Committee notes from paragraph 17 of the Secretary-General's report that 59 per cent of these estimates are based on standard cost ratios, while 41 per cent covers mission-specific requirements. The Advisory Committee is of the opinion that there is a need to clarify the elements used in the calculation of the ratios of mission-specific requirements and variations of items described in annex II.B to document A/50/386/Add.1.

9. The Advisory Committee was informed that military observers from the United Nations Truce Supervision Organization (UNTSO) had been deployed to UNDOF from the beginning of the Mission. The Advisory Committee was also informed that for the biennium 1996-1997, the cost of maintaining 81 observers in UNDOF amounted to $12.5 million. However, the Advisory Committee notes that the cost of this deployment has not been reflected in the budget of UNDOF.

10. The Advisory Committee notes that detailed explanation regarding the increase in the cost estimates of such items as rations, local staff salaries, medical supplies and commercial communications for the period from 1 July 1996 to 30 June 1997, when compared with the cost estimates for the preceding financial period, has not been provided (see annex I to A/50/386/Add.1). The Advisory Committee reiterates its previous view that wide variations in expenditures should be fully explained. In this connection, the Advisory Committee was informed that the increase in the cost estimates for rations was owing to a 4.2 per cent increase in the cost of the item based on a new contract with the supplier, effective February 1995.

11. In annex II, footnote b, to the Secretary-General's report, it is stated that the current inventory is not available. In view of this, the Advisory Committee questions the basis for determining the number of replacements. In connection with assets management, the Advisory Committee notes that the Secretariat needs to do more to develop effective methods of monitoring assets. The Advisory Committee recalls and reiterates its recommendation in paragraph 21 of its report in document A/50/560 that the capacity of the Secretariat to control and account for the Organization's assets could be enhanced by the development and use of software packages for the purpose of tracking assets. In this connection, the Advisory Committee was informed that a software package was being developed for that purpose.

12. It is the view of the Advisory Committee that travel costs under supplemental explanation, in annex II.E to document A/50/386/Add.1, should be merged with the rest of the supplementary information on the cost estimates for the period from 1 July 1996 to 30 June 1997 of the annex.

13. With regard to civilian personnel costs, the Advisory Committee was informed that salaries of international and local staff were budgeted in full. The Advisory Committee was also informed that there were no vacancies. The Advisory Committee expects that vacancies that do arise will be reported in the performance report. Upon inquiry, the Advisory Committee was informed that the increase in local staff salaries reflected a 6.6 per cent increase in local salaries, effective 1 December 1994, approved by the Office of Human Resources Management, following an interim local salary survey.

14. The Advisory Committee is of the opinion that a consistent format should be developed for information contained in the Organizational Chart in annex III to the Secretary-General's report.

15. The Advisory Committee points out that the usual provision has not been included for payment to the support account. The Advisory Committee notes that the Secretary-General is proposing a new funding mechanism in his report in document A/50/876. The Advisory Committee was informed that had provision been included in this budget, it would have amounted to $471,300.

16. With respect to the actions to be taken by the General Assembly at its resumed fiftieth session, the Advisory Committee concurs with the Secretary-General's proposal as stated in paragraph 23 of document A/50/386/Add.1. It therefore recommends that the General Assembly appropriate the amount of $16,074,000 gross ($15,618,000 net) for the period from 1 December 1995 to

31 May 1996, which was authorized as commitments and for assessment on Member States under the terms of Assembly resolution 50/20 of 1 December 1995. The Advisory Committee further recommends that the General Assembly authorize the Secretary-General to enter into commitments not to exceed the amount of $2,679,000 gross ($2,603,000 net) for the maintenance of UNDOF for the period from 1 to 30 June 1996 and assessment of such amounts, should the Security Council decide to renew the mandate of the Mission beyond 31 May 1996. The Advisory Committee also recommends that the General Assembly authorize the Secretary-General to enter into commitments not to exceed the amount of $2,624,500 gross ($2,548,500 net) per month for the maintenance of UNDOF for the period from 1 July 1996 to 30 June 1997 and the assessment of such amounts, should the Security Council decide to renew the mandate of the Mission beyond 31 May 1996.

II. UNITED NATIONS INTERIM FORCE IN LEBANON

17. UNIFIL was established by the Security Council in its resolution 425 (1978) of 19 March 1978 for operations in southern Lebanon. The Mission's mandate has subsequently been extended by the Council, most recently by its resolution 1039 (1996) of 29 January 1996, until 31 July 1996.

18. The Advisory Committee notes that UNIFIL has been going through a streamlining exercise in accordance with Security Council resolution 1006 (1995) of 28 July 1995. This exercise has resulted in a reduction of the military and civilian component of the Force (see A/50/543/Add.1, para. 9). The Secretary-General indicates in paragraph 16 of his report to the Security Council of 22 January 1996 (S/1996/45) that the streamlining exercise will be completed by May 1996. However, the Advisory Committee was informed that it was not possible, at the present time, to give additional information on what further budgetary savings would be realized. The Advisory Committee recalls the view expressed by the Security Council in paragraph 6 of its resolution 1039 (1996) of 29 January 1996 that efforts to achieve further savings by rationalizing the administrative and support service of the Force should be continued.

19. The Advisory Committee welcomes the information on the operational plan and requirements in paragraphs 6 to 9 of document A/50/543/Add.1. However, as with UNDOF (see para. 3 above), it is the view of the Advisory Committee that the presentation could be further improved by providing a clearer explanation of how the estimated requirements relate to many of the tasks of the mandate of the operation.

20. The Advisory Committee exchanged views with representatives of the Secretary-General on the deployment of 57 military observers from UNTSO and its budgetary implications (see A/50/543/Add.1, para. 8). The Advisory Committee was informed that as is the case with UNDOF (see para. 9 above), military observers from UNTSO had been deployed to UNIFIL from the beginning of the Mission. The Advisory Committee was also informed that for the biennium 1996-1997, the cost of maintaining 57 observers in UNIFIL amounted to $8.8 million. However, the Advisory Committee notes that the costs of this deployment has not been reflected in the budget of UNIFIL.

21. The Advisory Committee notes that, as in the case of UNDOF (see para. 4 above), there is no performance report for the preceding financial period. In this connection, the Advisory Committee was informed that complete financial data for the financial period ending 31 January 1996, which would be used to prepare the performance report, as had been requested by the Advisory Committee, would not be available until the end of April 1996.

22. The Advisory Committee also notes that, in accordance with General Assembly resolution 49/233 A, the financial year covers the period from 1 July 1996 to 30 June 1997.

23. The cost of maintaining UNIFIL for the period from 1 July 1996 to 30 June 1997 is estimated at $122,757,000 gross ($119,700,000 net). The Advisory Committee notes from paragraph 20 of the Secretary-General's report that 67 per cent of the cost estimates are based on standard cost ratios, while 33 per cent covers mission-specific requirements.

24. Upon inquiry, the Advisory Committee was informed that calculations of salaries for international staff incorporated a 5 per cent vacancy factor.

25. With regard to the 151 local staff funded under general temporary assistance, the Advisory Committee recalls that in annex IV.B to the Secretary-General's report (A/50/543), the total number of local staff was 365, including 151 under general temporary assistance. The Advisory Committee notes from table 3 of document A/50/543/Add.1 that the total number of local staff is 344, including 151 under general temporary assistance, reflecting a reduction of 21 posts which is the result of streamlining. In this connection, the Advisory Committee is not satisfied with the explanation given in paragraph 26 of document A/50/543/Add.1 concerning the use of general temporary assistance to fund the 151 local staff and reiterates its request to the Secretary-General, in paragraph 19 of its report in document A/50/694, to reconsider the practice of using provisions for general temporary assistance to finance positions in peace-keeping budgets that are actually temporary posts, like those in the budget of UNIFIL.

26. The Advisory Committee notes that detailed explanation regarding the increase in the cost estimates of such items as rations, contractual services, security services, medical treatment and services and miscellaneous other services for the period from 1 July 1996 to 30 June 1997 when compared with the cost estimates for the preceding financial period has not been provided (see A/50/543/Add.1, annex I). As indicated in paragraph 8 above, the Advisory Committee reiterates its previous view that wide variations in expenditures should be fully explained in the document. In this connection, the Advisory Committee was informed that the increase in cost of rations was owing to the fact that under a new contract with the supplier that entered into force in February 1995, the estimate for rations was calculated at $5.50 per person per day instead of $4.40.

27. With regard to contractual services, the Advisory Committee was informed that while there was no change in the level of provision of contractual services in that period as compared with the last period, local salary costs had increased in Lebanon, which had resulted in increased expenditure on such

services. Similarly, the increase in the provision for security services reflected wage increases in Lebanon.

28. In connection with medical treatment services, the Advisory Committee was informed that the increase was the result of underestimating the cost of the item for the period from 1 February 1995 to 31 January 1996. Therefore, the estimate for that period was based on previous experience and current prices.

29. The rise in the cost of miscellaneous other services relates to actual price increases in many areas of expenditure, including postage for military contingent, bank charges and veterinary treatment for patrol dogs.

30. Provision is made in annex II to document A/50/543/Add.1, of $1.8 million for the refurbishment of armoured personnel carriers. Upon inquiry, the Advisory Committee was informed that the repair involved 15 armoured personnel carriers. The Advisory Committee was also informed that the base unit price for a new armoured personnel carrier was $350,000 for a SISU type and $400,000 for a VAB type. In this connection, the Advisory Committee requests that the Secretariat consider the possibility of leasing the armoured personnel carriers, using the new procedures in contingent-owned equipment.

31. The Advisory Committee points out that the usual provision has not been included for payment to the support account. The Advisory Committee notes that the Secretary-General is proposing a new funding mechanism in his report in document A/50/876. The Advisory Committee was informed that had provision been included in this budget, it would have amounted to $1,708,000.

32. With regard to the actions to be taken by the General Assembly at its resumed fiftieth session as proposed in paragraph 27 of document A/50/543/Add.1, the Advisory Committee concurs with the proposal. It therefore recommends that the General Assembly appropriate the amount of $53,874,000 gross ($52,448,000 net) for the period from 1 February to 30 June 1996, inclusive of the amount of $32,324,400 gross ($31,468,800 net) already assessed on Member States under the terms of General Assembly resolution 50/89. In addition, in connection with the period from 1 July 1996 to 30 June 1997, the Advisory Committee recommends that the General Assembly authorize the Secretary-General to enter into commitments not to exceed the amount of $10,229,750 gross ($9,975,000 net) per month for the maintenance of UNIFIL and the assessment of such amount, should the Security Council decide to renew the mandate of the Mission beyond 31 July 1996.